LOGCAP IV
INDUSTRY DAY
JULY 26, 2005

AGENDA

- ✓ Purpose
- ✓ Current Contract Requirements
- ✓ Possible Acquisition Strategies
- ✓ Potential Changes for LOGCAP IV Contracts
- ✓ Areas for Industry Input
- ✓ What's Next

DISCLAIMER

- ✓ **Data presented are the best information available at the time of the briefing.**
- ✓ **Nothing provided during the briefing is a government commitment or obligation.**
- ✓ **Specifications, requirements and funding may be adjusted, based upon the current needs of the Government.**
- ✓ **Changes in circumstances may require a change in acquisition strategy.**

PURPOSE

- ✓ **To obtain Industry input on potential contract requirements and acquisition strategies for LOGCAP IV**

LOGCAP III CONTRACT
- REQUIREMENTS -

- ✓ Annual worldwide and regional planning
- ✓ Participate in exercises
- ✓ Support AMC-directed missions
  - ➢ Force Provider
  - ➢ Army Oil Analysis Program
- ✓ Provide contingency and operational support

LOGCAP III CONTRACT
- STRUCTURE -

- ✓ 10 year IDIQ contract
  - ➢ Base year plus 9 one year options
- ✓ Minimum – annual plans
- ✓ Maximum – 2 MRCs
- ✓ Task orders may be:
  - ➢ Firm fixed price
  - ➢ Cost plus award fee
  - ➢ Cost plus fixed fee

PLANNED LOGCAP IV - STRUCTURE -

- ✓ 10 year contracts: base year plus 9 one year options
- ✓ Task orders awarded CPFF, CPAF, FFP
- ✓ Establish CPAF min/max fee ranges that contractors can propose
- ✓ Competitively award multiple year ID/IQ contracts to up to three contingency contractors
- ✓ Requirements on the current contract will not transition to new LOGCAP contracts

CONSIDERATIONS IN CHOSING A STRATEGY

- ✓ Best support to soldiers
- ✓ Potential to reduce costs
- ✓ Potential to reduce risks in future operations
- ✓ Seamless Transition

POTENTIAL ACQUISITION STRATEGIES

1. **Augment current LOGCAP contract**
   - **Compete for additional contingency contract(s)**
   - **New requirements will be awarded to LOGCAP III contract plus new LOGCAP IV contracts**
2. **Re-compete LOGCAP for multiple contracts**
   - **Compete for Global – or - Regional – or – Functional LOGCAP IV contracts**
   - **Replaces LOGCAP III for awarding new requirements**

PREMISE: No transition of requirements from LOGCAP III contract to LOGCAP IV contracts

POTENTIAL ACQUISITION STRATEGY - AUGMENT -

- ✓ **Solicit for additional LOGCAP contractors**
- ✓ **Contractors must have global performance capabilities – do all SOW requirements, anywhere in the world**
- ✓ **Task Orders awarded competitively unless an exception applies**
- ✓ **Current contractor cannot submit a proposal**
- ✓ **Period of Performance - 10 years**
  - ➢ **Base year plus 9 one year options**

POTENTIAL ACQUISITION STRATEGY
- AUGMENT (CONT) -

- ✓ **Award based on best value analysis of proposed solutions to sample scenario**
- ✓ **Scenario *may* include using standardized SOWs for support**
- ✓ **The labor categories and number of man-hours proposed on scenario with standardized SOWs will be baseline for any future task orders negotiated using those SOWs**

POTENTIAL ACQUISITION STRATEGY
- RE-COMPETE -

- ✓ **Solicit to replace current LOGCAP contract with multiple contracts**
- ✓ **Task Orders awarded competitively unless an exception applies**
- ✓ **Current contract remains in place to complete requirements already awarded**
- ✓ **Current contractor may submit proposal**
- ✓ **Period of Performance – 10 years**
  - ➢ **Base year plus 9 one year options**

POTENTIAL ACQUISITION STRATEGY
- RE-COMPETE CONT'D -

- ✓ **Award based on best value analysis of proposed solutions to sample scenario**
- ✓ **Scenario *may* include using standardized SOWs for support**
- ✓ **The labor categories and number of man-hours proposed on scenario with standardized SOWs will be baseline for any future task orders negotiated using those SOWs**

POTENTIAL ACQUISITION STRATEGY
RE-COMPETE – GLOBAL CONTRACTS
Availability of all contractors to work in all regions – multiple contractors in regions
Task orders issued based on best value competition between LOGCAP contractors
Able to issue urgent task orders without competition
Performance is incentivized by availability of multiple support contractors
Worldwide and regional planning an issue

POTENTIAL ACQUISITION STRATEGY
RE-COMPETE – REGIONAL CONTRACTS
ONE CONTRACTOR PER REGION

- ✓ Initial task order issued in each region based on best value competition
- ✓ Follow-on task orders issued to regional LOGCAP contractor
- ✓ Performance is incentivized by availability of multiple support contractors from other regions if needed
- ✓ Regional planning accomplished by regional contractor
- ✓ Worldwide planning an issue

POTENTIAL ACQUISITION STRATEGY
RE-COMPETE – REGIONAL CONTRACTS
TWO CONTRACTORS PER REGION

- ✓ **Initial task order issued based on best value competition – primary and alternate contractor in each region**
- ✓ **Work split between primary and alternate contractors, with more work to primary**
- ✓ **Follow on urgent task orders issued based on past performance, balancing workload**
- ✓ **Second regional support contractor plus another outside the region incentivizes performance**
- ✓ **Regional planning accomplished by regional contractors**
- ✓ **Worldwide planning an issue**

POTENTIAL ACQUISITION STRATEGY
RE-COMPETE – FUNCTIONAL

- ✓ **Award contracts to various functional contractors: dining facilities, base camp operation (MWR, laundry), transportation services, core logistics support services, etc.**
- ✓ **Availability of multiple functional support contractors incentivizes performance**
- ✓ **Results in issuing and administering task orders to multiple contractors at base camp level in contingency environment**
- ✓ **Regional and Worldwide planning an issue**
- ✓ **Least desirable strategy from Govt viewpoint**

POTENTIAL CHANGES FOR LOGCAP IV

- ✓ No Force Provider operations at Ft Polk
- ✓ Use of standardized SOWs in task orders
- ✓ More emphasis on change order accounting, cost estimating and tracking systems
- ✓ Different fee structure
- ✓ Different planning requirements if multiple contracts
- ✓ Issuing task orders with multiple contractors

POTENTIAL LOGCAP IV CHANGES - FORCE PROVIDER -

- ✓ The operation and maintenance of FP module at Ft Polk will shift to US troops
- ✓ There will be no separate funding for this effort at Ft Polk on LOGCAP IV contract(s)
- ✓ Contractor(s) will continue to be responsible for supporting deployment, site preparation, operati nt maintenance on site, and nt of modules

POTENTIAL LOGCAP IV CHANGES - STANDARDIZED SOWs -

- ✓ Use standardized SOWs for base support activities
- ✓ Get contractor estimate for labor hours and categories in sample scenario of solicitation
- ✓ They become the baseline the contractor must use in task orders awarded – they can update annually
- ✓ Use as basis for awarding urgent and compelling task orders, in conjunction with best value factors

POTENTIAL LOGCAP IV CHANGES - COST ESTIMATING, TRACKING -

- ✓ Government needs accurate cost, schedule and performance data to plan and budget for actions in theater
- ✓ Will place more emphasis on having effective cost estimating and tracking systems
- ✓ Challenges are having many subcontractors with different accounting systems in countries with different labor laws and customs while supporting quickly changing requirements
- ✓ Contractors should have cost systems that can handle change orders and project management to the subcontract level, providing data quickly and accurately

POTENTIAL LOGCAP IV CHANGES - COST ESTIMATING, TRACKING - (CONT)

- The preferred method of obtaining Contract Performance Data is the American National Standards Institute/Electronic Industries Alliance Standard 748, Earned Value Management Systems (EVMS).
- We request feed-back on the ability of contractor's to meet these requirements in a contingency support, service contract environment.

POTENTIAL LOGCAP IV CHANGE
- FEE STRUCTURE -

- ✓ **Solicitation for LOGCAP IV will specify min/max ranges for base and award fees**

POTENTIAL LOGCAP IV CHANGES - PLANNING REQUIREMENTS -

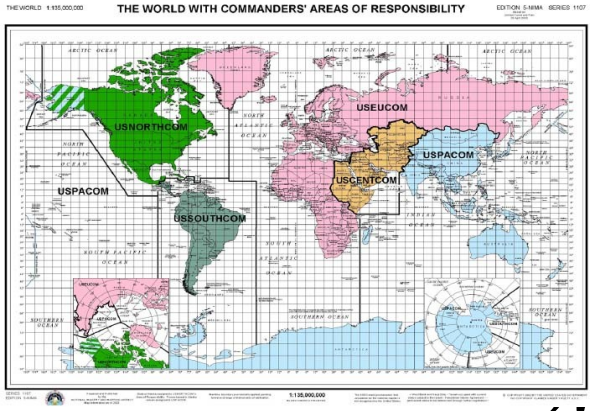
- ✓ With multiple contractors, planning changes
- ✓ Planning options:
  - ➢ All LOGCAP contractors do all planning
  - ➢ If LOGCAP contractors tied to specific regions, they do planning for their region
  - ➢ One LOGCAP contractor does all planning
  - ➢ One non-LOGCAP contractor does all planning
- ✓ Questions:
  - ➢ how critical is it for the planner to also execute the plans?
  - ➢ can a separate planning contractor tailor some of the planning for each LOGCAP contractor while providing other generic planning to all LOGCAP contractors?

POTENTIAL LOGCAP IV CHANGES - ISSUING TASK ORDERS -

- ✓ **Competition for orders is the first preference**
- ✓ **Exceptions: urgent and compelling requirements; only one contractor can meet requirements; a logical follow-on order; necessary to meet specified minimum work**
- ✓ **How to award task orders in urgent and compelling situations:**
  - ➢ **Use standardized SOW contractor estimates as baseline;**
  - ➢ **Consider theater workload and past performance in quality, schedule, cost**

POTENTIAL LOGCAP IV CHANGES - ISSUING TASK ORDERS (CONT) -

- ✓ **Regional – vs – Global approach**
- ✓ **Regional: 5 COCOM regions (NORTHCOM, SOUTHCOM, EUCOM, CENTCOM, PACOM)**
- ✓ **Regional contractor support could be:**
  - ➢ **A single contractor for each region, with other contractors available if needed, large workload**
  - ➢ **Two contractors per region with a range of 90-10 to 60-40 split depending on performance of primary contractor, workload**



POTENTIAL LOGCAP IV CHANGES - ISSUING TASK ORDERS (CONT)-

- ✓ Regional – vs – Global approach
- ✓ Global assumes all contractors can perform all requirements in all regions
- ✓ Customer preference is for one or few contractors in theater of operations – it simplifies contract administration
- ✓ Challenge: to maximize customer preference while providing opportunity for work to contractors
- ✓ How? De facto regional approach and using best value to balance workload between regions among multiple contractors

SMALL BUSINESS OPPORTUNITIES

- The Government desires LOGCAP contractors to identify US small businesses opportunities for CONUS and OCONUS task orders
- No regulatory requirement for subcontract plans on work OCONUS
- Some minimum % goals by Army

DESIRED INDUSTRY INPUT

- ✓ **AFSC will address industry input in developing any formal acquisition strategy.**
- ✓ **Advantages/disadvantages of possible contracting approaches**
  - ➢ **Global – v – regional – v - functional**
    - **Regional: one contractor – v - primary / secondary**
  - ➢ **Augment – v – Re-compete**
- ✓ **Which approaches would you submit a proposal? Which would you not submit a proposal? Brief reasons for each.**

DESIRED INDUSTRY INPUT

- Under a regional approach, should there be a dollar cap, at which another contractor gets new work?
- Is it better for contingency execution to:
  - Disburse work to specified regional contractors?
  - Disburse work globally without regard to region?
- How should planning be done: separate contractor? All LOGCAP contractors? One LOGCAP contractor?
- What concerns you the most about the Government issuing task orders under a multiple contractor approach? Do you have any recommendations on the process?

DESIRED INDUSTRY INPUT

- How should a new contract address requirements that mature from contingency to a more stable, predictable environment?
  - Remain with that LOGCAP contractor?
  - Be competed among LOGCAP contractors?
  - Be separately acquired via “LOGCAP-type” contracts of specified contractors dedicated to sustainment?
  - Be acquired by separate contracts as requirements are generated?

DESIRED INDUSTRY INPUT

- How to increase contractor support capacity
- How to reduce program risk
- How to provide the Government with useful cost, schedule, and performance data
- When to use Firm Fixed Price task orders
- ID/IQ Mins ar unts

HOW TO PROVIDE INPUT

- ✓ **Format: in writing via email**
- ✓ **To: POC listed on next chart**
- ✓ **When: anytime. BUT to be considered for acquisition strategy need by Aug 9**

POINTS OF CONTACT

- **Randy Bartholome, 309-782-3741**
  randy.bartholome@us.army.mil
- **Alternate, 309-782-7345**